

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
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STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

December 2, 2019

COMPTROLLER'S MEMORANDUM NO. 2019-22

TO: All Department Heads

FROM: Curt T. Otaguro, Comptroller

A handwritten signature in black ink, appearing to read "Curt T. Otaguro".

SUBJECT: **Early Cancellation of 2019 Claims Encumbrances
Negative Response Required**

This is a reminder that all inactive operating funds claims encumbrances recorded as of June 30, 2019, will be cancelled and the related appropriation balances lapsed if the encumbrances have not been expended by the close of December 2019. This early cancellation process is applicable only to **OPERATING** appropriation accounts (general, special, federal, revolving, and trust) with **lapse dates of June 30, 2019 and prior.**

An encumbrance will be considered active and will be automatically extended if it meets all of the following conditions:

1. Last activity date of the encumbrance is after August 1, 2019.
2. Total payment against the encumbrance is more than 50% of the encumbrance.
3. Amount is greater than \$25.00.

Any claims encumbrance not meeting all of the above conditions as of the close of December 2019 will be considered inactive and will be cancelled. The Department of Education is exempt because of carryover provisions authorized by general law.

Encumbrances that are paid by journal vouchers using transaction code 804 will not be automatically extended even if all of the conditions are met. Departments must therefore request an extension for these encumbrances. This is because transaction code 804 is not reflected as an encumbrance expenditure in the accounting records.

Departments (except DOE) should submit a response to us regardless of whether an extension is requested. Your response should be sent to DAGS Accounting Division no later than January 6, 2020. See below for guidelines:

1. Departments with attached agencies/divisions should consolidate the information into **one request**.
2. All encumbrances should be listed in order by fund, appropriation account, document number/suffix and **justification**. (See attached sample for the required format.)
3. Approved/disapproved signature sections must also be included in your extension request. (See attached.)
4. **If applicable, submit a memo indicating "No Extension Required"**.
5. Extension requests and encumbrance lists that do not follow instructions in this memorandum will be returned.

If you have any questions, please call our fund accountants at 586-0639 or 586-0637.

Attachment

**ATTACHMENT TO COMPTROLLER MEMORANDUM 2019-22
EARLY CANCELLATION OF 2019 CLAIMS ENCUMBRANCES**

Required Format for Claims Encumbrance Listing:

<u>Apprn Acct</u>	<u>Lapse Date</u>	<u>Document #</u>	<u>Vendor Name</u>	<u>Amount</u>	<u>Justification</u>
G-19-001-A	06/30/19	1234-01	Vendor A	5,000.00	Goods received – pending invoice
G-19-001-A	06/30/19	1243-02	Vendor B	3,000.00	Pending travel receipts (travel dates)
G-19-023-A	06/30/19	0G18023A	Vendor C	6,000.00	Vacation Payout
S-19-212-A	06/30/18	3456-01	Vendor D	3,000.00	Pending stmt of travel (incl dates)
S-19-222-A	06/30/17	3566-02	Vendor E	2,000.00	Project active
S-19-222-A	06/30/17	3566-03	Vendor E	1,000.00	Final payment pending
S-19-223-A	06/30/18	4300-01	Vendor F	4,000.00	Pending receipt of goods
T-19-901-A	06/30/19	6544-01	Vendor G	9,000.00	Services in progress

Format for Approved/Disapproved Signature Section:

Approved Disapproved

Lenora D. Fisher, Accounting System Administrator

Dated: _____

Approved Disapproved

Curt T. Otaguro, Comptroller

Dated: _____